

**Prepared Remarks of the Honorable Mignon L. Clyburn
Federal Communications Commission
International Institute of Communications Annual Conference
Ottawa Convention Centre, Canada
October 22, 2014**

Good morning everyone. Allow me to thank Ms. Barbara Motzney for such a kind introduction and to express my appreciation to the Canadian branch of the International Institute of Communications for inviting me to appear before you today.

Naturally, in preparation for my trip, I reviewed the title and summaries of the sessions planned for this year's conference, and could not help but notice, the similarities in policy priorities. In both Canada and the United States, we are witnessing unprecedented innovation and investment across all communications platforms including broadcast, wireline (both telco and cable), wireless, and satellite.

Both countries are interested in promoting competition that would lead to higher quality services and lower prices for consumers. We all recognize the power of broadband to grow our economies, expand opportunity, and improve the overall quality of life. We share a common commitment to embrace practices and principles that will expand the benefits of broadband to everyone. So to that end, just what we are doing, in the U.S., to promote universal broadband access? How do we ensure that affordable and accessible facilities exist? And where do things stand?

Broadband

The latest estimates are that approximately 70 percent of U.S. households have adopted fixed broadband at home; and about 65 percent of Americans use smartphones. Many of these mobile devices are a complement, not a substitute, for fixed broadband. And now, altogether, approximately 80 percent of Americans have "advanced Internet access" -- that is either broadband at home or through a smartphone, according to surveys.

But there are still millions -- Americans living in mostly rural areas -- who could not get fixed broadband, even if they wanted, because the infrastructure is simply not there. Even in more densely populated urban areas, many Americans lack competition and only have access to one provider particularly at higher speeds: 75% of American homes have only one option at speeds of 25 Mbps or higher.

Universal Service Fund

We know that broadband is essential and that is why connecting all Americans, remains one of the FCC's highest priorities. Since I arrived at the Commission, in 2009, we have been focused on modernizing our Universal Service Fund, however, our dedication to universal access as you know is not new. Our commitment goes back over a century -- focusing initially, on connecting everyone with voice service.

The way we support universal service, however, is unique. There is a line item contribution based on revenue that appears on each customer's bill. Many have suggested that we should have tackled this problem differently, and I cannot say for sure, whether we would use the same approach if we were starting over today. But, for better or not, this is the path we have chosen.

Modernization of USF

And I am proud to say that, in 2011, the FCC took the lessons learned from what had been a successful, decades old framework that helped to finance voice-only services, and restructured the universal service program to support broadband enabled networks. This vision was laid out in our National Broadband Plan and represented a fundamental change in our policies for the information age. Connecting those currently offline will not happen overnight, but we now have a framework to get there and an annual budget to do so. Our updated, modernized universal service programs, actually have several different components.

Connect America Fund

The largest part, the Connect America Fund, formally known as the high cost fund, now promotes broadband deployment to areas where the private sector has not built or will not build.

The public-private partnership has an annual budget of \$4.5 billion to extend broadband across America, and as large as that number seems, it represents only the public side of our investment. The private sector is investing their own capital to reach these un-served communities, and to date, the FCC has authorized over \$430 million in Phase I to serve over 630,000 locations, or approximately 1.65 million people, in 45 states plus Puerto Rico.

Mobile Broadband

We not only want to ensure that every American has access to wired broadband. We also want universal access to mobile broadband. President Obama set a goal of 4G LTE coverage to at least 98% of Americans by 2016 and consistent with these goals the FCC established, for the first time, access to mobile broadband as a universal service goal through the creation of a Mobility Fund. Support for this will be distributed by using market-based reverse auctions to ensure funding is spent wisely and efficiently.

Remote Area Fund

Finally, the FCC created a fund, known as the Remote Areas Fund, to reach the most expensive to serve parts of our nation. And we are open to considering alternative technologies in order to reach these hard to serve areas from satellite, to Wireless Internet Service Providers (WISPs), to TV white spaces. In fact, the entire modernized universal service fund is technology neutral and we are encouraging all providers including electric utilities, television cable companies, mobile providers, and local entities such as cities to participate.

Education and Health Care

There are two areas where broadband holds tremendous promise for enabling new innovations: health care and education, and we have two discrete universal service programs dedicated to each.

E-rate Schools and Libraries

The fund which directly helps to connect schools and libraries with broadband is known as “E-rate.” In June 2013, President Obama called on the FCC to connect 99% of America’s students with high capacity broadband that supports the latest interactive, bandwidth-intensive, digital learning tools. I am

pleased to note that, in July of this year, the FCC adopted an Order infusing an additional \$1B annually to ensure that schools and libraries have access to robust internal connectivity or Wi-Fi within schools and library buildings.

While we still have more work to do to ensure that all schools and libraries have high capacity connectivity *to* and *within* each school and library – particularly in rural areas – we are making substantial progress.

Rural Health Care Fund

The FCC also has a universal service fund focused on connecting rural health care providers with broadband. We started with a pilot program to expand access to high-capacity broadband services to health care providers. And in December of 2012, the FCC took the lessons we learned from the pilot and established the Healthcare Connect Fund, which will provide broadband to thousands of health care providers, across the country.

This Fund offers healthcare providers a substantial 65 percent discount for both broadband services and infrastructure. While the Fund's focus is on connecting rural areas, urban sites are also eligible as part of the consortia, and the FCC is encouraging urban-rural collaborations.

Connect 2 Health Task Force

Early this year, the FCC also launched a new multi-disciplinary Task Force — Connect2HealthFCC — to explore the intersection of broadband, advanced technologies, and health. We see vast opportunities to bridge persistent health gaps, connect rural and remote areas to specialists, and support services that would otherwise be unavailable, help manage chronic disease, address language barriers, improve health literacy, and help our veterans adjust and thrive.

Broadband Adoption

The final piece of the FCC's universal service program supports adoption. Simply ensuring that the facilities exist is not enough. "Access" means that it also has to be affordable. Congress recognized this, and required the FCC, to ensure that all consumers, including "low income" consumers, have access to advanced services.

Our adoption program has traditionally focused on providing a discount off of the cost of telephone service. In December 2012, we approved reforms that establish, as a core program goal, ensuring the availability of broadband for low-income Americans. The FCC currently has underway 14 broadband pilot projects to study broadband adoption and use by low-income populations, to test the potential for expanding support, and to cover broadband services. Even though the current low-income program is limited to supporting voice today, the discount can be applied to bundles of broadband and voice to help make such offerings more affordable and accessible.

Public-Private Partnerships

While I will continue to advocate that the FCC does its part to solve access to broadband challenges, I know that we cannot insure ubiquitous access to broadband on our own. This means that the private sector and other state and federal agencies must play a role. Without the private investment, these areas will remain disconnected, and without learning about what has worked and what has not from you, our international partners, we will miss the mark completely.

Commercial Wireless Carriers

Since 2010, in addition to continuing to promote our universal service objectives, the FCC has committed considerable resources, ensuring that commercial wireless carriers have the ability to keep pace with the explosive consumer demand for mobile broadband services. The top two ways that the FCC are helping carriers meet this demand is by allocating more spectrum for commercial wireless services and removing regulatory barriers to building towers, base stations, and other equipment carriers need to deploy this spectrum.

Auctions

In January 2014, we held our H Block auction, for 10 megahertz of spectrum. That represented the first auction the U.S. had held for nationwide commercial wireless spectrum since 2008. Next month, we will hold the AWS-3 auction to allocate 65 megahertz of nationwide wireless spectrum. The Commission has also been working diligently to implement the statutory authority, which Congress gave us in February 2012, to hold the world's first ever voluntary reverse auction of broadcast TV spectrum. This past May, we adopted an Order that made a number of important decisions that set the framework for how we will hold that auction.

For example, we explained how the reverse auction, where broadcast TV licensees may choose to offer up to their full six megahertz in return for money, will be linked to the forward auction, where wireless carriers will bid for the right to use that spectrum, for flexible use wireless services. We also established the technical rules for the 600 megahertz band plan that wireless carriers will use to deploy the spectrum they acquire. That Order also set important rules about how the Commission will reassign channels to any broadcast TV licensees, who do not choose to give up their spectrum. We made clear that the Commission will use all reasonable efforts to protect both the coverage area and population served of those broadcasters who want to continue to provide important news and information to the local communities they are licensed to serve.

Wireless Infrastructure

And just last week, the Commission made several important changes to its policies regarding the deployment of wireless infrastructure. In order to site and build the towers, base stations, and other equipment necessary to use spectrum for wireless services, companies must seek approval from federal, state, and local governments. Too often, the process of obtaining those necessary approvals is both expensive and time-consuming. But, if we want American mobile consumers to fully realize the benefits from these upcoming AWS-3 and incentive auctions, we have to allow wireless companies to deploy this spectrum in a more efficient manner.

The Order we adopted, last week, seeks to address these shortcomings by bringing about more efficiency to the process of approving wireless facilities. Since 1974, the FCC's environmental and historical review procedures have excluded collocations of antennas from most of the requirements, recognizing the benefits of using existing structures over constructing new ones. So we expanded that categorical exclusion, to include equipment associated with the antennas (such as wires, cables, and backup-power equipment), utility poles and electric transmission towers. We also adopted a 60-day time frame for state or local governments to review complete collocation applications. If they do not approve or deny the applications in those 60 days, they will be considered deemed granted, pursuant to a Congressional law that was adopted in 2012.

As I take my seat, I cannot help but acknowledge and marvel how our collective strides have connected more than two billion people across the world to the Internet, unleashing a tidal wave of social and economic benefits. But we've only just begun. And the main reason why exchanges at the IIC remain important is because as difficult and expensive as it may have been for us to connect the first two billion people, connecting the next billion and the next billion, and the next, will require different degrees and levels of investment as well as innovative, difficult and unorthodox collaborations that only global partnerships can bring.

I truly appreciate this opportunity to share my perspectives and our experiences in America. I look forward to hearing more from you on how best to develop solutions for billions more around the world to join the broadband revolution.

Thank you.